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Carlsberg Makes Bottles Smaller to Avoid Hiking Prices

By The Moscow Times

August 22, 2014



Danish brewer Carlsberg is avoiding price markups in Russia by making some of its bottles smaller and putting less beer in others, the company's CEO said, Bloomberg reported Thursday.

Carlsberg, which relies on Russia for 35 percent of its profits, is having a torrid time. The company lowered its profit forecast for 2014 this week, blaming Russia's shrinking beer market and an economic downturn made worse by Western sanctions against Moscow for its role in the Ukraine conflict.

The initiative, which applies to half of Carlsberg's Russian stock, means "we don't have to increase prices as much, because then we can keep the same price points but lower volumes a little," CEO Joergen Buhl Rasmussen told Bloomberg.

A spokesman for Carlsberg declined to specify the exact volume of beer that is being saved per bottle, saying only that it is a "small amount," the report said.

Carlsberg, which owns the popular Baltika brand in Russia, said its Russian market share dropped 1.2 percentage points to 37.4 percent by volume in the first half of this year.

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